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C O N F I D E N T I A L SAN SALVADOR 001195

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TAGS: PGOV PREL ES

SUBJECT: DAS MADISON'S VISIT TO EL SALVADOR

REF: STATE 70521

Classified By: Ambassador Glazer for reasons 1.4 (b) and (d)

11. (C) Summary: During a September 28-October 1 visit to San Salvador, Deputy Assistant Secretary (DAS) Madison engaged key politicos from the FMLN and the ARENA parties on the upcoming elections, and discussed with GOES officials the prospects for extending the Comalapa Cooperative Security Location (CSL) (per reftel). She also gave a media interview with the largest circulation newspaper in which she outlined benefits to the region from CAFTA and law-enforcement cooperation. End summary.

Elections: The FMLN,s Take

- 12. (C) Salvador Samayoa: The former FMLN member and signatory to the 1992 Peace Accords is now a prominent political analyst. Samayoa said both parties faced credibility issues: ARENA with the economy, and the FMLN with Chavez. Samayoa said the FMLN leadership has not changed its ideology since the Peace Accords, and that the leadership is at odds with more open-minded party activists. Samayoa said this dynamic explains the rift between presidential candidate Funes and FMLN General Coordinator Medardo Gonzalez. While the Salvadoran system concentrates power in the President, Samayoa told the DAS that modern El Salvador has never seen a presidential candidate so at odds with the party he represents. Samayoa predicted that if Funes wins, he will not be a puppet for the FMLN. But, he added that a combination of an FMLN victory with Venezuelan cash would corrupt the Salvadoran political system. Nonetheless, he suggested that the U.S. should avoid getting directly involved in the Salvadoran electoral campaign, and limit public comments to exhortations for fairness and respect for the democratic process. Samayoa said the FMLN is convinced it will win, and that he is concerned that an unexpected ARENA victory would result in violence.
- 13. (C) FMLN Deputy Hugo Martinez: He said that the Salvadoran electorate is divided into three groups: one-third are strong ARENA supporters, one-third are strong FMLN supporters, and one-third are swing voters. He said that during the first month of the campaign (the official campaign season for the municipal and legislative elections began September 1) the FMLN,s efforts have been concentrated on winning these swing voters by focusing on social issues. He said the FMLN is working to transmit a message of peace and tranquility in order to attract new voters. When asked about the possibility of violence if the election was close, Martinez said that the FMLN was more concerned about fraud, especially after the ARENA-controlled Supreme Electoral Tribunal (TSE) recently eliminated the requirement that polling officials sign each ballot. He said that if the election was close, the possibility of fraud would increase.
- 14. (C) David Munguia Payes: The retired Salvadoran Army Colonel is widely-assumed to be the Minister of Defense if

Funes wins. Munguia Payes told DAS Madison that he was concerned about Funes, &delicate8 personal security situation. He said the FMLN was taking measures, but that the U.S. could help by providing information and intelligence on threats to the FMLN candidate. Munguia Payes indicated that the FMLN has information that "right-wing individuals" have stated that they &would not let Funes win.8 He noted that although there have not been any political assassinations in El Salvador for many years, there are people on the far right who would not accept a change of government and could make some &bad decisions8. Munguia Payes also stated that right-wing belief that the FMLN would seek to abrogate the Amnesty Law also poses a risk to Funes, personal security. (Comment: We do not find these particular allegations credible. End comment.)

ARENA,s Take on the Elections

15. (C) Salvadoran Ambassador to the U.S. and ARENA campaign advisor Rene Leon told DAS Madison that ARENA presidential candidate Rodrigo Avila "still has a chance to win," noting that Funes' initial lead of over twenty points had diminished. He acknowledged mistakes in Avila's campaign and said the candidate's inner circle was controlling the campaign, in his opinion, to the candidate's detriment. said the campaign still lacked focus. Leon cmpared Avila's challenge to that faced by Senato John McCain, i.e., how to convince voters to support the ruling party while at the same time offering change. He said that, contrary to conventional wisdom, President Saca is giving Avila "all the room he needs" to run his campaign, but Avila has so far been "unable" to use that space. Leon said that although Avila is still suffering from ARENA's "traumatic" candidate selection process, he is &only four or five points behind Funes now.8 Leon identified three things that could save Avila's candidacy: the selection of a running mate; the selection of ARENA's candidates for the Legislative Assembly; and proposals to reorganize the justice system. Leon reiterated his message, previously delivered to A/S Shannon, that the USG does not need to impose itself into the electoral process or carry the weight of political rhetoric. He noted that concrete actions, like the announcement of Temporary Protected Status, are opportunities which ARENA needs to use. He thanked Madison for her comments in the press indicating that there were opportunities there for ARENA as well, if they made use of them. Towards the end of the meeting, Leon expressed his fear that the presidential race could be extremely close, possibly just a few thousand votes, and that the FMLN, which is convinced it will win, will resort to violence.

The Cooperative Security Location (CSL)

16. (C) MFA Vice Minister Calix: Calix, joined by Political Director Werner Romero, said that El Salvador is interested in extending the CSL agreement as smoothly as possible. He mentioned that El Salvador was confused about the U.S. position and sought clarification of whether or not the USG sought a simple extension. Madison confirmed that the goal of the U.S. was to secure a simple extension and noted that USG desire to ensure that the CSL did not become a political issue in El Salvador, s electoral process. Calix indicated that he thought a simple extension would be the least risky option, but that he would need to speak with his foreign minister. DAS Madison requested a "yes" or "no" on the dipnote (reftel) which sought a simple extension; Calix said the GOES would answer as soon as possible, maybe within days. Calix noted the interest of the GOES in adding additional missions to the CSL, while acknowledging that the political season might be a risky time in which to do so. DAS Madison pressed for an answer on the issue of a simple extension. She then noted that, if the GOES said "no" to this, then they would need to give thought to the question of what the risks there are in shaping an alternative approach to the mission

set. She indicated that any further discussion of enhanced missions would need to take place in Washington.

17. (C) DAS Madison also discussed the CSL agreement with Ministry of Defense (MOD) Chief of Defense Policy Colonel Alvarado. Alvarado said that while the MOD realizes that the current political situation is sensitive, he believes the agreement could be expanded to include some additional missions (for example, search and rescue operations) rather than simply extended. He said that the MOD believed that with some effort, an expanded agreement could be approved by the Legislative Assembly. Alvarado noted that the FMLN would find it hard to obstruct an expansion of the agreement since that would contradict FMLN presidential candidate Mauricio Funes, public statements in favor of the CSL. DAS Madison noted that the missions they wanted to expand the agreement to include were already being carried out under the current agreement, underscored that legislatures are not compelled to act and could simply delay action indefinitely, and urged avoiding the political risks by agreeing to the simple extension. She added that she had asked the foreign ministry for a &yes8 or &no8 answer on the simple extension. She suggested follow-up discussions on other missions subsequent to the extension and noted that any such discussions would need to occur in Washington. Alvarado concluded the session noting that El Salvador &feels threatened8 by Nicaraguan and Honduran actions that have harmed regional security.

The Merida Initiative, Public Security, and TPS

- 18. (C) DAS Madison discussed the Merida Initiative at length with MFA Vice Minister Calix and provided the state of play in the USG. Calix brought up the \$900 million security plan that Central American countries formulated, and asked where the Merida funding stood. He contrasted the Central American plan with the announced Merida funding, which would average \$6 million per country, and expressed his disappointment in the funding. Calix said that he hopes that some of the money can go through this year, and that in the future, perhaps after Congressional staff members travel to El Salvador and see results, more funding could materialize.
- 19. (C) DAS Madison also discussed public security and other issues with FMLN Deputy Martinez. She noted that the view from the outside is always one of polarization between the FMLN and ARENA perspectives, but asked whether or not there were areas where there is agreement between the two parties. Martinez highlighted efforts to work on a common agenda on education. Martinez also highlighted the fact that the FMLN last week unveiled a proposal to amend the constitution to allow for wiretapping in some cases. He acknowledged that a proposal had already passed the Legislative Assembly, but said that it lacked sufficient safeguards to protect civil rights. (Note: A proposed constitutional amendment must pass the Legislative Assembly twice, the second time by a supermajority. End note.) He also said that while the FMLN wanted to include corruption in the list of crimes against which wiretapping would be admissible in court, ARENA did not consider this request. Martinez also said that even though wiretapping is currently illegal, it is nonetheless being used as a political tool.
- 110. (C) DAS Madison and Vice Foreign Minister Calix also discussed immigration and temporary protected status (TPS) for Salvadoran nationals. Calix said the GOES was pleased with the joint announcement on the TPS extension from Presidents Bush and Saca, and said that it shows the U.S. recognizes TPS as an important benefit that offers stability to many Salvadoran families. Calix said that El Salvador is looking forward to the upcoming U.S. elections to see how the candidates respond to migration issues. He said that while he realizes Americans are concerned about porous borders, his government is trying to demonstrate that Salvadorans do not pose a threat to U.S. national security. (Comment: The high incidence of transnational street gang membership amongst Salvadoran immigrants, both legal and illegal, argues

otherwise. End comment). Calix also expressed satisfaction with the Pathways to Prosperity meeting at the UNGA and indicated a willingness to work closely with the USG on next steps.

Left and Right Weigh in on the Economy

- 111. (C) DAS Madison met September 30 with FUNDE (National Development Foundation) President Roberto Rubio, who told her that that Salvadorans not receiving remittances are vulnerable to rising food and fuel prices. He also noted signs that U.S. economic problems are starting to affect remittances. Rubio described fiscal problems caused by rising subsidies paid out by the GOES and warned that, under worst-case scenarios, inadequate revenue growth and failure to refinance GOES debt would render the government unable to meet its short-term debt obligations within the next 2-3 years. Rubio was pessimistic about the direction the country may take if the FMLN does well in upcoming legislative and presidential elections. Noting that he served as FMLN representative in Europe during the war, Rubio said that he knows the FMLN leadership personally (&they are my friends8) and says their thinking has evolved little since the war. He suggested that without any constraints, the old guard FMLN would like to &go the way of Chavez and press for twenty-first century socialism.8 He did note that in the short term, the absence of a legislative majority and other constraints will likely limit the FMLN,s ability to carry out these ambitions. A visit with the AMCHAM was similarly downbeat, with members focused on what they perceive to be ARENA,s weak candidate and campaign.
- 112. (C) During her meeting with FMLN Deputy Martinez, DAS Madison asked about recent statements by FMLN officials implying that they might reconsider dollarization and seek renegotiation of CAFTA. Martinez pointed out that Funes spoke to a business group earlier in the week, and that he reiterated that he would not reverse CAFTA nor revisit dollarization. Martinez said that the party has evolved and that the anti-CAFTA and anti-dollarization statements do not reflect the FMLN,s position today. Martinez then opined that even if the FMLN wanted to walk away from CAFTA and other pro-U.S. issues, the Salvadoran people would never allow it.
- 113. (C) DAS Madison gave a media interview to El Diario de Hoy, the largest circulation newspaper in El Salvador, in which she outlined benefits to the region from CAFTA and law-enforcement cooperation. She highlighted the "Pathways to Prosperity" as a way to boost the process of trade liberalization and enhance regional cooperation and the USG's efforts to promote security efforts in the region through the Merida Initiative. When asked about outside interference in the Salvadoran electoral process, she underscored the message that the United States is respectful of El Salvador,s democratic processes.
- 114. (C) Comment: DAS Madison's visit highlighted areas where we continue to build on our partnership with the GOES, underscored our interest in an near-term extension of the CSL, and highlighted the political polarization of the pre-election season. It shed light on the perception that many Salvadorans believe that ARENA is running a weak campaign and has a weak candidate. It also underscored anxiety among many Salvadorans that, although the FMLN candidate is running with a moderate message, the FMLN in office would be more reflective of the unreconstructed, radical elements of the party.
- 115. (U) DAS Madison has cleared this cable. GLAZER